

Dissenting Report by Labor Senators

1.1 Labor Party Senators on this Committee disagree with the recommendation of the majority report.

1.2 Labor Senators on the Committee note their particular dissention to paragraph 2.78 of the majority report.

1.3 Labor Senators on the Committee vehemently disagree with the statement that 'it is the committee's view that the results of the independent evaluation have shown the cashless debit card to have had a positive effect on communities in existing trial sites'.

1.4 The Committee heard overwhelmingly that there has been a serious lack of meaningful consultation in the proposed trial area of Bundaberg/Hervey Bay with people who would be affected by the rollout of the trial.

1.5 Additionally, the Committee heard directly from a number of residents who would become trial participants that they have significant concerns about the impact the trial would have on their ability to budget and to meet existing, ongoing financial obligations.

1.6 Labor Senators on this Committee note the longstanding view of the Australian Labor Party regarding the cashless debit card trial, that new trial locations should only be supported where there is clear evidence that the community in question wants to participate.

1.7 Given the evidence received, Labor Senators on this Committee are of the view that there is not sufficient evidence of broad support for the Bundaberg/Hervey Bay communities to participate in a trial of the cashless debit card.

Lack of consultation

1.8 The Committee heard that members of the Bundaberg/Hervey Bay community do not believe that adequate consultation about the proposed cashless debit card trial has taken place.

1.9 Miss Wilkes, a Bundaberg resident and advocate told the Committee that there had been 'basically...no public consultation', and that 'everybody is being ignored'.¹

1.10 The Committee received evidence that those who would be directly affected by the rollout of the cashless debit card were not meaningfully consulted with.

1.11 Mr Feerick, another local resident, told the Committee that:

I'm somebody in the target group. I'm under 36 years of age and I'm currently on a Centrelink payment. However, I don't have any of the problem issues that this card is said to address. I don't smoke, I don't gamble, I don't drink alcohol and I don't take illicit drugs; I don't take any

1 Kathryn Wilkes, *Committee Hansard*, 7 August 2018, p. 1.

drugs at all. Our local federal member...didn't make any attempt to contact me or anyone else I know in the target group to find out what our views are on the card, as people who are directly affected.²

1.12 Mr Feerick explained further:

Why has there not been a single public consultation held by a local federal representative where members of the public, as well as service providers and community leaders, can discuss in an open and robust fashion issues that affect our region and determine, as a community, how to deal with these issues?³

1.13 Labor Senators on the Committee understand that the Department of Social Services (DSS) undertook information sessions in Bundaberg/Hervey Bay.

1.14 The Committee heard evidence that these sessions did not constitute genuine consultation.

1.15 Miss Wilkes described one session:

...that wasn't a consultation. That ended up being 50 very angry people in Hervey Bay who couldn't get any questions answered and were told basically, 'You'll just have to learn to live a different way'.⁴

1.16 Mr Feerick explained the process further:

...these are all individual consultations – one on one sessions with either a federal member or with representatives from the Department of Social Services. The sessions they held that were public were two information sessions. This is how they were marketed...these sessions were run by DSS representatives telling people 'this is how the card will work.' I believe there was a third session held in Childers, but that was only open to Childers or Isis residents, and I think that was actually predominantly held to inform members of business and the chamber of commerce. There was also a fee of \$20 to even enter.⁵

1.17 Labor Senators on the Committee are seriously concerned by the lack of open communication with those in the trial target group.

1.18 Labor Senators are of the view that a genuine consultation has not taken place in Bundaberg/Hervey Bay and genuine community consent has not been achieved.

Importance of cash

1.19 Senators on the Committee heard that potential trial participants are deeply concerned about a trial rollout could affect them.

1.20 One witness, Miss Silk, explained to the Committee how she would be personally impacted by the cashless debit card trial:

2 Peter Feerick, *Committee Hansard*, 7 August 2018, p. 3.

3 Peter Feerick, *Committee Hansard*, 7 August 2018, p. 3.

4 Kathryn Wilkes, *Committee Hansard*, 7 August 2018, p. 5.

5 Peter Feerick, *Committee Hansard*, 7 August 2018, p. 5.

I will not be able to pay my car finances with the 80 per cent that's quarantined on the CDC, as mine, like other car finance accounts, only accepts the minimum required payment via direct debit, and Indue, the company looking after the CDC, apparently do not accept any direct debit, as per their terms and conditions. In a region where used car lots advertise finance for Centrelink recipients, I believe I won't be the only one with this issue.⁶

1.21 Miss Silk explained further:

As a person who budgets every dollar I spend, I, as do many others in the community, need cash to make ends meet so I can shop online on Gumtree or Facebook, on buy or swap sell sites, at garage sales on the weekend, at markets, at cash fares and at family events. And let's not forget those roadside huts that farmers put their fresh fruit and veg in for a fraction of the supermarket prices. We still have many of those huts and stalls on the sides of our roads in our region where you pay the correct cash money into a locked box or tin that a farmer will collect at the end of the day and you take the fresh produce that you bought. It works on trust, cash and community support.⁷

1.22 DSS in evidence to the committee explained that people would have to apply to the Department for a regular transfer of cash to meet regular direct debit payments for approved items such as car repayments.

1.23 Labor Senators do not believe that this has any positive benefit and is an unfair administrative burden on those who are managing the budget of a low income household.

1.24 Labor Senators are of the view that cash plays a vital role in the local economy, and that restricting the access of people in this area to cash could jeopardise their ability to participate in that community.

1.25 Labor Senators particularly believe that this applies to low income community members, who use cash to access cheaper goods and services than they may otherwise be able to.

Harmful impacts

1.26 The Mayor of the Fraser Coast Regional Council, Mr George Seymour, provided evidence in a personal capacity, and listed a number of harmful impacts that he believes would occur as a result of the introduction of the cashless debit card in Bundaberg/Hervey Bay.

1.27 Councillor Seymour told the Committee that:

having worked in the committee services sector and representing my community, [my view] is that this bill and the policy underpinning it goes against what we're trying to do for our community, that being to care for it

6 Crystal Silk, *Committee Hansard*, 7 August 2018, p. 2.

7 Crystal Silk, *Committee Hansard*, 7 August 2018, p. 2.

and to help people by empowering them and lifting them up...this bill...takes away people's autonomy and humiliates them.⁸

1.28 Additionally, Councillor Seymour told the Committee that he was concerned that the cashless debit card trial would 'lead to a black economy' as well as 'increased crime' in the community he represents.⁹

1.29 Further, Councillor Seymour told the Committee of his previous experiences of segregation, and gave evidence about his concern that the introduction of the cashless debit card in Bundaberg and Hervey Bay could have similar results:

I grew up in an area in the US where, when I went to school, we had lunch tickets. The people who were on social security had blue tickets and other children had green tickets. I also grew up in apartheid South Africa. So I've seen disadvantage. I don't understand why this is being brought to my community.¹⁰

1.30 Members of the community also explained to the Committee that there was a serious lack of entry level jobs in the Bundaberg/Hervey bay region.

1.31 Specifically, the Committee heard evidence that, according to a staff member from a local job agency, they had received 'for one entry-level job...around 400 applications'.¹¹

ORIMA evaluation

1.32 Labor Senators on the Committee note the Auditor-General's recent report on the ORIMA evaluation of the cashless debit card trial.

1.33 This independent assessment has exposed the high cost of the trials, budget overruns, a lack of effective evaluation and flawed procurement processes.

1.34 The Auditor-General's report states:

...monitoring and evaluation was inadequate. As a consequence, it is difficult to conclude whether there had been a reduction in social harm and whether the card was a lower cost welfare quarantining approach.¹²

1.35 By definition, the purpose of the trials is to determine whether the cashless debit card works, and the Government has failed this fundamental policy test.

1.36 Labor Senators are of the view – informed by the Auditor-General's report, and the evidence presented to this committee – that significantly more work on evaluating the current trials is needed before credible claims can be made that the cashless debit card is effective.

8 Councillor Seymour, *Committee Hansard*, 7 August 2018, p. 7.

9 Councillor Seymour, *Committee Hansard*, 7 August 2018, p. 7.

10 Councillor Seymour, *Committee Hansard*, 7 August 2018, p. 7.

11 Crystal Silk, *Committee Hansard*, 7 August 2018, p. 2.

12 Auditor-General's Report, *The Implementation and Performance of the Cashless Debit Card Trial*, p. 8.

Conclusion

1.37 In light of the serious community concern about the lack of employment opportunities, and the potential negative impacts, Labor Senators on the Committee are of the view that it would be inappropriate to further extend the cashless debit card trial to Bundaberg/Hervey Bay, particularly given the inability of Government to show that the measures are effective.

Recommendation 1

1.38 Labor Senators on the Committee recommend that the Senate reject the Bill.

Senator the Hon Lisa Singh

Senator Murray Watt

Senator Sue Lines

Senator Louise Pratt

